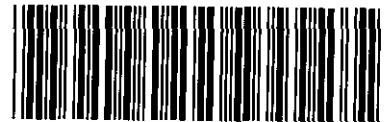


Registered Number OC302870

**ZYGOS LLP**  
**Report and accounts**  
**For the year ended**  
**31 March 2006**

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COMPANIES HOUSE

# ZYGOS LLP

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# **ZYGOS LLP**

## **Designated members and advisers**

### **Designated members**

J K Budd  
M M Djurdjevic  
Zygos (UK) Limited

### **Registered office**

15 Sloane Square  
London  
SW1W 8ER

### **Bankers**

HSBC Private Bank (UK) Limited  
78 St James's Street  
London  
SW1A 1JB

### **Auditors**

Nexia Smith & Williamson  
No 1 Bishops Wharf  
Walnut Tree Close  
Guildford  
Surrey  
GU1 4RA

### **Solicitors**

Lawrence Graham LLP  
190 Strand  
London  
WC2R 1JN

### **Registered number**

OC302870

## **ZYGOS LLP**

### **Members' report**

The members present their report and the accounts for the year ended 31 March 2006.

#### **Activities**

The principal activity of the LLP is that of executive search and selection.

#### **Review of business**

In the opinion of the members the state of the LLP's affairs at 31 March 2006 is satisfactory.

#### **Designated members**

The designated members at 1 April 2005 and who have remained in office throughout the year were:

J Budd  
M M Djurdjevic  
Zygos (UK) Limited

#### **Policy with respect to members drawings, subscription and repayment of members' capital**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

The profits allocated to the members in respect of each financial year are credited to the Distribution Accounts of the members. Members are permitted to withdraw amounts equal to the credit on their Distribution Accounts.

New members are required to subscribe a minimum level of capital of £1.

On retirement, capital is repaid to members.

## ZYGOS LLP

### Statement of members' responsibilities in respect of the accounts

Legislation applicable to limited liability partnerships requires the members to prepare accounts for each financial year which give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that year. In preparing those accounts, the members are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the accounts comply with the Limited Liability Partnerships Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

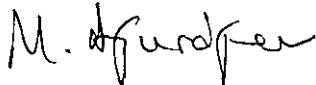
### Auditors

After the year end our auditors, Nexia Audit Limited, changed their name to Nexia Smith & Williamson Limited and now trade as Nexia Smith & Williamson.

*A resolution proposing that Nexia Smith & Williamson be reappointed as auditors of the company will be put to the next members' meeting.*

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the members  
and signed on their behalf on 10 DECEMBER 2006



M M Djurdjevic

**Designated member**

## **Nexia Smith & Williamson**

### **Independent auditors report to the member of ZYGOS LLP**

We have audited the accounts of Zygos LLP for the year ended 31 March 2006 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of Members' Interests and the related notes 1 to 12. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of members and auditors**

As described in the Statement of Designated Members' Responsibilities the designated members of the LLP are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. We also report to you if, in our opinion, the members' report is not consistent with the accounts, if the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if the information specified by law regarding members' remuneration and transactions with the LLP is not disclosed.

We read the members' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the accounts, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

## Nexia Smith & Williamson

### Independent auditors report to the member of ZYGOS LLP *continued*

#### Opinion

In our opinion

- the accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 31 March 2006 and of its profit for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985 as modified by the *Limited Liability Partnerships Regulations 2001*;
- the information given in the Members' Report is consistent with the accounts.

*Nexia Smith & Williamson*

Nexia Smith & Williamson  
Chartered Accountants  
Registered Auditors

No 1 Bishops Wharf  
Walnut Tree Close  
Guildford  
Surrey  
GU1 4RA

Dated 4 January 2007

# ZYGOS LLP

## Profit and loss account for the year ended 31 March 2006

|                                                                                         | Notes | Year ended<br>31 March<br>2006<br>£ | Year ended<br>31 March<br>2005<br>as restated<br>£ |
|-----------------------------------------------------------------------------------------|-------|-------------------------------------|----------------------------------------------------|
| Fees                                                                                    |       | 6,034,100                           | 5,396,682                                          |
| Direct charges                                                                          |       | (3,859,724)                         | (3,177,190)                                        |
| <b>Gross profit</b>                                                                     |       | <b>2,174,376</b>                    | <b>2,219,492</b>                                   |
| Administrative expenses                                                                 |       | (27,522)                            | (20,229)                                           |
| <b>Operating profit</b>                                                                 | 4     | <b>2,146,854</b>                    | <b>2,199,263</b>                                   |
| Interest receivable and similar income                                                  |       | 41,675                              | 27,364                                             |
| <b>Profit on ordinary activities before taxation</b>                                    |       | <b>2,188,529</b>                    | <b>2,226,627</b>                                   |
| Tax on profit on ordinary activities                                                    |       | -                                   | -                                                  |
| <b>Profit for the financial year before members' remuneration and profit share</b>      |       | <b>2,188,529</b>                    | <b>2,226,627</b>                                   |
| Members' remuneration charged as an expense                                             |       | (532,358)                           | (510,208)                                          |
| <b>Profit for the financial year available for discretionary division among members</b> |       | <b>1,656,171</b>                    | <b>1,716,419</b>                                   |

All of the LLP's operations are classed as continuing.

## Statement of total recognised gains and losses for the year ended 31 March 2006

|                                                | 2006<br>£        | 2005<br>£        |
|------------------------------------------------|------------------|------------------|
| Total recognised gains relating to the year    | 1,656,171        | 1,716,419        |
| Prior year adjustment (as explained in Note 1) | (479,162)        | -                |
|                                                | <b>1,177,009</b> | <b>1,716,419</b> |



# ZYGOS LLP

## Balance sheet as at 31 March 2006

|                                                                            | Notes | As at<br>31 March<br>2006<br>£ | As at<br>31 March<br>2005<br>as restated<br>£ |
|----------------------------------------------------------------------------|-------|--------------------------------|-----------------------------------------------|
| <b>Fixed assets</b>                                                        |       |                                |                                               |
| Tangible assets                                                            | 6     | -                              | -                                             |
| <b>Current assets</b>                                                      |       |                                |                                               |
| Debtors                                                                    | 7     | 1,768,688                      | 944,570                                       |
| Cash at bank and in hand                                                   |       | 1,099,759                      | 1,560,424                                     |
|                                                                            |       | <hr/> 2,868,447                | <hr/> 2,504,994                               |
| <b>Creditors: amounts falling due within one year</b>                      | 8     | (1,597,187)                    | (1,143,916)                                   |
|                                                                            |       | <hr/>                          | <hr/>                                         |
| <b>Net assets attributable to members</b>                                  |       | <hr/> 1,271,260                | <hr/> 1,361,078                               |
|                                                                            |       | <hr/>                          | <hr/>                                         |
| <b>Represented by:</b>                                                     |       |                                |                                               |
| Loans and other debts due to members within one year                       |       |                                |                                               |
| Members' capital classified as a liability under FRS25                     |       | 3                              | 3                                             |
| Other amounts                                                              |       | 468,310                        | 44,214                                        |
|                                                                            |       | <hr/> 468,313                  | <hr/> 44,217                                  |
| Equity                                                                     |       |                                |                                               |
| Members' other interests – other reserves classified as equity under FRS25 |       | 802,947                        | 1,316,861                                     |
|                                                                            |       | <hr/> 1,271,260                | <hr/> 1,361,078                               |
|                                                                            |       | <hr/>                          | <hr/>                                         |
| <b>Total members' interests</b>                                            |       |                                |                                               |
| Loans and other debts due to members                                       |       | 468,313                        | 44,217                                        |
| Members' other interests                                                   |       | 802,947                        | 1,316,861                                     |
|                                                                            |       | <hr/> 1,271,260                | <hr/> 1,361,078                               |
|                                                                            |       | <hr/>                          | <hr/>                                         |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

The accounts were approved by the members on 10/12/06 and were signed on its behalf by:

M M Djurdjevic  
Designated member

*M. Djurdjevic*

# ZYGOS LLP

## Reconciliation of members' interests

|                                                                                                         | Members' capital<br>classified as<br>equity<br>£ | Other<br>Reserves<br>£ | Total<br>£  | Loans and<br>other debts<br>due to<br>members<br>(note 9)<br>£ | Total<br>£  |
|---------------------------------------------------------------------------------------------------------|--------------------------------------------------|------------------------|-------------|----------------------------------------------------------------|-------------|
| Amounts due to members                                                                                  | 3                                                | 16,861                 | 16,864      | 1,344,214                                                      | 1,361,078   |
| Amounts due from<br>members                                                                             | -                                                | -                      | -           | -                                                              | -           |
| Members' interests: balance<br>at 31 March 2005 (as<br>originally stated)                               | 3                                                | 16,861                 | 16,864      | 1,344,214                                                      | 1,361,078   |
| Prior year adjustment (note<br>1)                                                                       | (3)                                              | 1,300,000              | 1,299,997   | (1,299,997)                                                    | -           |
| Members' interests: balance<br>at 31 March 2005 (as<br>restated)                                        | -                                                | 1,316,861              | 1,316,861   | 44,217                                                         | 1,361,078   |
| Members' remuneration<br>charged as an expense,<br>including employment and<br>retirement benefit costs | -                                                | -                      | -           | 532,358                                                        | 532,358     |
| Profit for the financial year<br>for discretionary division<br>among members                            | -                                                | 1,656,171              | 1,656,171   | -                                                              | 1,656,171   |
| Members' interests after<br>profit for the year                                                         | -                                                | 2,973,032              | 2,973,032   | 576,575                                                        | 3,549,607   |
| Other division of profits                                                                               | -                                                | (2,170,085)            | (2,170,085) | 2,170,085                                                      | -           |
| Drawings                                                                                                | -                                                | -                      | -           | (2,278,347)                                                    | (2,278,347) |
| Members' interest at<br>31 March 2006                                                                   | -                                                | 802,947                | 802,947     | 468,313                                                        | 1,271,260   |

# ZYGOS LLP

## Notes to the accounts for the year ended 31 March 2006

### 1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'.

#### Basis of accounting

The accounts have been prepared under the historical cost convention.

#### Fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

|                  |   |                   |
|------------------|---|-------------------|
| Office equipment | - | 50% straight line |
|------------------|---|-------------------|

#### Members' remuneration

The accounting policy for members' remuneration has been changed to reflect the implementation of FRS25 and the revised Statement of Recommended Practice 'Accounting by Limited Liability Partnership', issued in March 2006. The previous policy was to reflect all amounts paid as an allocation of profits.

The LLP agreement provides that members' remuneration shall be determined at the start of each financial year by the designated members. Such remuneration is considered to be a contractual liability and is included within members' remuneration charged as an expense.

A member's share in the profit or loss for the year is accounted for as an allocation of profits in the year in which it is allocated. Unallocated profits and losses are included within 'other reserves'.

#### Prior year adjustment

The effect of the change in accounting policy on the comparative amounts has been:

- to reduce reported profit by the amount of remuneration paid in accordance with the members' agreement of £479,162
- to reduce Other amounts due to members included within loans and other debts due to members by £1,300,000 to reflect profits allocated to members after the balance sheet date
- to increase Members' other interests classified as equity by the amount of unallocated profits of £1,300,000 as above
- to reclassify members capital subscribed on incorporation of £3 from equity to liabilities in accordance with the required treatment under FRS25 for amounts repayable to members on retirement.

# ZYGOS LLP

## Notes to the accounts for the year ended 31 March 2006 (continued)

### 1 Accounting policies - continued

#### Pension costs

Contributions to members' personal pension schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. These amounts are included within members' remuneration charged as an expense.

Liabilities in respect of retirement benefits of former members are recognised only upon the member concerned ceasing to be a member. The loss represented by this liability will be shown in the Statement of Total Recognised Gains and Losses in accordance with the LLP SORP. There is currently no future retirement benefit liability of this kind.

#### Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

#### Fees

Fees, which exclude value added tax, represent the value of services supplied in the year.

In the year to 31 March 2006 0% (2005 : 1%) of the company's fees was to markets outside the United Kingdom.

### 2 Information in relation to members

|                                                                                  | 2006<br>Number | 2005<br>Number   |
|----------------------------------------------------------------------------------|----------------|------------------|
| The average number of members during the year was                                | 3              | 3                |
|                                                                                  | <hr/>          | <hr/>            |
|                                                                                  | £              | £<br>as restated |
| Salaried remuneration of members                                                 |                |                  |
| Contribution to members' personal pension schemes                                | 32,366         | 31,046           |
|                                                                                  | <hr/>          | <hr/>            |
|                                                                                  | 32,366         | 31,046           |
|                                                                                  | <hr/>          | <hr/>            |
| The amount of profit attributable to the member with the largest entitlement was | 1,351,222      | 700,187          |
|                                                                                  | <hr/>          | <hr/>            |

The amount disclosed as profit attributable to the member with the largest entitlement reflects that members share of members' remuneration charged as an expense, 2005 profits unallocated as at 31 March 2005 and subsequently allocated, 2006 profits allocated during the year ended 31 March 2006

# ZYGOS LLP

## Notes to the accounts for the year ended 31 March 2006 (continued)

### 3 Employee information

There were no employees or members with contracts of employment in the year.

### 4 Operating profit is stated after charging:

|                                                                  | 2006<br>£ | 2005<br>£ |
|------------------------------------------------------------------|-----------|-----------|
| Depreciation                                                     |           |           |
| - owned assets                                                   | -         | 9,894     |
| Auditors' remuneration                                           |           |           |
| - audit                                                          | 4,250     | 4,500     |
| - non audit services (paid to related companies of the auditors) | 3,000     | 3,500     |

### 5 Pension contributions

The company made pension contributions to members' personal pension schemes totalling £32,366 (2005 : £31,046).

### 6 Tangible fixed assets

Office  
fixture &  
fittings  
£

#### Cost or valuation

At 31 March 2005 and 31 March 2006 47,478

#### Depreciation

At 31 March 2005 and 31 March 2006 47,478

#### Net book value

At 31 March 2006 -

At 31 March 2005 -

### 7 Debtors

|                          | 2006<br>£ | 2005<br>£ |
|--------------------------|-----------|-----------|
| Trade debtors            | 1,421,593 | 944,570   |
| Amounts due from members | 347,095   | -         |
|                          | 1,768,688 | 944,570   |

# ZYGOS LLP

## Notes to the accounts for the year ended 31 March 2006 (continued)

### 8 Creditors: amounts falling due within one year

|                                      | 2006<br>£ | 2005<br>£ |
|--------------------------------------|-----------|-----------|
| Amounts owed to related undertakings | 1,335,739 | 1,098,578 |
| Other taxation and social security   | 236,198   | 38,588    |
| Accruals                             | 25,250    | 6,750     |
|                                      | <hr/>     | <hr/>     |
|                                      | 1,597,187 | 1,143,916 |
|                                      | <hr/>     | <hr/>     |

Accruals includes outstanding pension contributions of £18,000 (2005 : £nil).

### 9 Loans and other debts due to members

|                                               | 2006<br>£ | 2005<br>as restated<br>£ |
|-----------------------------------------------|-----------|--------------------------|
| Amounts owed to members in respect of profits | 468,310   | 44,214                   |
| In respect of capital                         | 3         | 3                        |
|                                               | <hr/>     | <hr/>                    |
|                                               | 468,313   | 44,217                   |
|                                               | <hr/>     | <hr/>                    |
| Falling due within one year                   | 468,310   | 44,214                   |
| Falling due after more than one year          | 3         | 3                        |
|                                               | <hr/>     | <hr/>                    |
|                                               | 468,313   | 44,217                   |
|                                               | <hr/>     | <hr/>                    |

Loans and other debts due to members rank equally with debts due to ordinary creditors on winding up. No legally enforceable protection is offered to creditors in the event of a winding up.

### 10 Ultimate controlling party

There is no ultimate controlling party.

## **ZYGOS LLP**

### **Notes to the accounts for the year ended 31 March 2006 (*continued*)**

#### **11 Related party disclosures**

During the year the company received consultancy services to a value of £1,511,552 (2005 : £1,109,598) from Zygos International Limited, a company in which M Djurdjevic and J Budd are shareholders and directors. At 31 March 2006 the amount due to Zygos International Limited was £1,335,739 (2005 : £636,272).

The partnership received support services to a value of £2,348,171 (2005 : £2,067,592) from Zygos (UK) Limited, a designated member. At 31 March 2006, the balance due from Zygos (UK) Limited was £347,095 (2005 : £462,306 due to Zygos (UK) Limited).

All of the above transactions were undertaken on an arms length basis. Balances with related entities are unsecured and interest free.

#### **12 Guarantees**

During the year, under a deed of indemnity in respect of the premises lease entered into by Zygos (UK) Limited of which Zygos LLP is a guarantor, Zygos LLP agreed, in the event of default by Zygos (UK) Limited, to accept responsibility for the payment of rents and performance of other conditions under the agreement and, in the event of liquidation of Zygos (UK) Limited, to take over the lease for the remainder of the lease term.

Zygos International Limited has agreed to indemnify Zygos LLP in the event of the above guarantee being called.